

THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: July 8, 2008

REPORT NO:

ATTENTION: Honorable Council President and Councilmembers

SUBJECT: Preliminary Statement of Work for Container Services

REFERENCE:

REQUESTED ACTION:

Approve the Preliminary Statement of Work for Container Services.

STAFF RECOMMENDATION:

Accept the Preliminary Statement of Work for Container Services to serve as the foundation of the Container Management Statement of Work.

SUMMARY:

The City of San Diego is committed to delivering quality services to taxpayers, residents, and visitors in the most economical and efficient means possible. This commitment can also be expressed as delivering services through "competitive government," defined as government with processes in place to validate that service quality and costs are comparable to those offered by any legitimate available provider.

Managed competition provides a structured, transparent process that allows an open and fair comparison of public sector employees and independent contractors in their ability to deliver services to our citizens. This strategy recognizes the high quality and potential of public sector employees and seeks to tap their creativity, experience and resourcefulness by giving them the opportunity to structure organizations and processes in ways similar to best practices in competitive businesses.

A Preliminary Statement of Work is the first step in the managed competition procurement process. The Preliminary Statement of Work documents service specifications and is presented to the City Council for consideration and public comment to assure all parties that no degradation of service levels will occur as a result of the competition. Once approved, the Preliminary Statement of Work forms the foundation for the complete Statement of Work which will be included in the solicitation. The attachment provides the Preliminary Statement of Work for the Container Services function for consideration by the City Council.

FISCAL CONSIDERATIONS:

None.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The managed competition program was initiated with the citizens of the City voting to approve Proposition C in November 2006. Staff has spent considerable time working with the labor unions (AFSCME Local 127 and MEA) to receive input on program plans. In addition, we have established a Labor Advisory Committee to facilitate continued work with the unions.

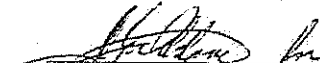
With the passage of Proposition C and the amendment/addition of subsection (c) to City Charter section 117, the Managed Competition Independent Review Board was established to advise the Mayor on whether the proposal of City employees or that of an independent contractor will provide services more economically and efficiently while maintaining service quality and protecting the public interest.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

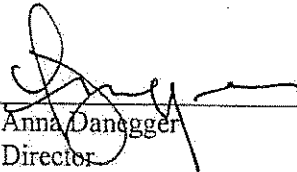
Given that the competition has yet to take place, it is premature to speculate on precise impacts. However, key stakeholders in this process are City employees, the City's recognized labor unions and the residents and visitors of the City of San Diego.



Chris Gonaver
Director
Environmental Services Department



Elmer L. Heap, Jr.
Deputy Chief Operating Officer
Community Services



Anna Danegger
Director
Business Office



Jay Goldstone
Chief Operating Officer

**Preliminary Statement of Work
Container Services
July 15, 2008**

Background

The City of San Diego (City) utilizes automated containers for residential and small business refuse, recyclable, and a portion of yard waste collection services. The container services program provides, delivers, repairs and maintains City-owned automated containers used for residential collection services.

Containers used by the City of San Diego are colored differently to indicate purpose: black for refuse, blue for recyclables, and green for yard waste, and are available in three sizes: 96, 64 and 32 gallon in each color. An inventory of replacement containers is maintained at the ESD Operating Station (ESOS), 8353 Miramar Place, San Diego. Additional containers are ordered as the on-site inventory is depleted to optimize use of limited storage space for automated containers. The deployed inventory of containers varies in age with the oldest units in service for 17 years. More than 50% of the deployed inventory is beyond warranty (10+ years old).

In order to request a new or replacement automated container, residents contact the containers services program via the ESD customer service call-center (a separate function). Upon receipt of payment of the required fee (if applicable), the container is repaired or a new container is delivered.

The City of San Diego intends to acquire the services of a provider (City employees or an outside contractor) to provide refuse, recycling, and yard waste container management, delivery (when ordered by the customer) and inventory control services with City responsibility for container provision. The service provider will be responsible for:

- Providing, for a City-established fee, new and/or replacement containers to eligible residents on an as-requested basis, either at the container storage facility or through delivery. The responsibilities associated with this may include: assembling containers; loading/unloading containers as required; retrieving damaged or replacing undamaged (e.g., replaced for a different size) containers, lids, and wheels; calculating replacement fees for containers; collecting replacement fees; and depositing collected fees with the City Treasurer.
- Repairing, returning, or recycling damaged units in accordance with City standards of containers' useful life. Returns and/or recycling will be documented in accordance with City standards.
- Managing the City's inventory of containers, including maintaining inventory records and container storage areas.
- Coordinating "roll outs" to distribute containers upon collection program expansions or distribution of containers to new housing developments.
- Operating a service desk to provide residents opting to not use the container delivery service a walk-up option for exchanging containers on Monday – Friday from 8am – 4pm.

The service provider will be responsible for updating the City's customer service database. The service provider may use existing City yard facilities at the ESOS.

Workload Specifications

The anticipated workload specifications, based on FY2007 data, for this function include:

Refuse	
▪ Customers	304,000
▪ Containers	380,000
Recycling	
▪ Customers	254,000
▪ Containers	280,300
Yard waste	
▪ Customers	190,000
▪ Containers	12,100
New containers provided	
▪ As a result of new service provision	3,128
▪ To replace stolen container	2,291
▪ As exchanges	2,102
Containers repaired or replaced due to age/wear-and-tear	
▪ Repair or replacement	14,227
▪ Other (damaged during collection, fire replacement, etc)	1,556

Note: The population of recycling and yard waste containers is expected to grow as the programs expand over the next five years. Inventory numbers are maintained in the EPACS system.

Technical Delivery Standards

The City of San Diego expects the service provider (City employees or outside contractor) will perform these services while maintaining qualifications, certifications and licenses as currently required by City employees.

Performance Standards

The City of San Diego expects the service provider (City employees or outside contractor) to maintain the following performance standards:

- Respond to customer inquiries by the next business day.
- Collect fees in accordance with the City's internal controls standards.
- Document service orders and service activities in accordance with established policies and guidelines.
- Deliver containers within two business days following regularly scheduled solid waste, once payment is received.